



*RENEWABLE
ENERGY
PROGRAM*

**CALIFORNIA
ENERGY
COMMISSION**

RENEWABLE ENERGY PROGRAM

QUARTERLY REPORT TO THE
LEGISLATURE

January 2002 through March 2002

COMMITTEE REPORT

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Gray Davis, Governor

California Energy Commission's Quarterly Report Regarding the Renewable Energy Program (January 1 - March 31, 2002)

The California Energy Commission is pleased to submit its *Quarterly Report to the Legislature* on the Renewable Energy Program, covering the period January 1 to March 31, 2002. The Energy Commission is required to report to the Legislature quarterly on fiscal and functional aspects of the program.¹ This report describes the Energy Commission's implementation activities, including information regarding awards submitted to the State Controller for payment,² the cumulative commitment of claims by account, the relative demand for funds by account, a forecast of future awards, and related matters.

Background

Assembly Bill 1890³ (AB 1890) required California's three major investor-owned utilities to collect \$540 million from their ratepayers over a four-year period (1998-2002) to help support renewable electricity-generation technologies and develop a renewable market. As mandated by AB 1890, the Energy Commission submitted its *Policy Report on AB 1890 Renewables Funding (Policy Report)* to the Legislature in March 1997, with recommendations for allocating and distributing these funds. Senate Bill 90⁴ (SB 90) subsequently established a Renewable Resource Trust Fund, placed the \$540 million into the fund, and directed the Energy Commission how to distribute the fund through four distinct accounts, which is consistent with the *Policy Report*. These accounts and the total funds initially allocated to each are as follows:

- Existing Renewable Resources Account (**\$243 million**)
- New Renewable Resources Account (**\$162 million**)
- Emerging Renewable Resources Account (**\$54 million**)
- Customer-Side Renewable Resources Purchases Account:
 - Customer Credit Subaccount (**\$75.6 million**)
 - Consumer Education Subaccount (**\$5.4 million**)

In January 1998, consistent with SB 90, the Energy Commission adopted overall funding guidelines, eligibility requirements, yearly allocations, and account-specific guidelines to assist participants in applying for funding from the various accounts within the Program. These guidelines provide for fund reallocations among accounts, which are discussed in this report (see Table II).

In September 2000, Assembly Bill 995⁵ and Senate Bill 1194⁶ codified the Reliable Electric Service Investments Act (RESIA) and extended the collection of funds from 2002 to 2012. As directed by the

¹ Public Utilities Code (PUC), Article 5, Section 445(g).

² As a procedural matter, the Energy Commission submits awards directly to the State Controller for payment, rather than through the Treasurer.

³ Chapter 854, Statutes 1996

⁴ Chapter 905, Statutes 1997

⁵ Chapter 1051, Statutes 2000

RESIA, beginning January 2002 an amount starting at \$135 million per year is collected from the same ratepayers. The RESIA also requires the Energy Commission to provide recommendations concerning allocation of the funds collected over the first five years of that period. The Energy Commission submitted such recommendations to the Legislature in June 2001 in a report titled, ***Investing in Renewable Electricity Generation in California***⁷ (***Investment Plan***). The Legislature is expected to consider these recommendations and authorize the Energy Commission to implement the RESIA during its 2002 session. The RESIA requires the Energy Commission to prepare a second investment plan by March 2006, proposing the allocation of funds from 2007 to 2012.

We intend to seamlessly transition from implementing the initial Renewable Energy Program to the planned extended program under RESIA, to the extent possible. A smooth transition will minimize or avert interruptions in funding disbursements and provide the renewable energy industry and its customers with a measure of certainty in an uncertain electricity market. According to the ***Investment Plan***, any funds remaining in the Renewable Resource Trust Fund at the end of the initial program would be rolled into the extended program under RESIA. Until the Energy Commission is authorized to implement the RESIA, some initial program funds continue to be disbursed from the Renewable Resource Trust Fund until the funds are expended, while other funds are being held in abeyance, in accordance with each account's ***Guidebook***.

Renewable Energy Program Implementation

The mechanisms for distributing funds vary by account, as do the implementation activities for each account. Table I highlights the Energy Commission's implementation activities for the first quarter of 2002 and the expected funding and implementation activities for the second quarter of 2002. The remainder of the report discusses each account's activities in more detail and summarizes our progress in implementing the Renewable Energy Program.

Renewable Resources Trust Fund Expenditures

Through March 31, 2002, the Renewable Resource Trust Fund had *collected* a total of \$547.3 million⁸ for all of the accounts. As of the first quarter of 2002, the Energy Commission had *awarded* a total of \$258.9 million, reflecting payments (disbursements) from the accounts. Eligible applicants had reserved \$223.0 million, reflecting fund reservations (encumbrances) from the New Account, the Emerging Account, and the Consumer Education Subaccount. Table II shows a financial summary of the Renewable Resource Trust Fund as of the first quarter of 2002, reflecting cumulative funding and expenditures since the beginning of the Program, including those that occurred during this reporting period.

⁶ Chapter 1050, Statutes 2000

⁷ June 2001, California Energy Commission Publication Number P500-00-022.

⁸ Includes \$15 million transferred from the General Fund to the Emerging Account pursuant to AB 29X.

**Table I - Renewable Energy Program
First Quarter 2002 Program Implementation**

Account, Program-Implementation, and Funding Activities: January – March 2002	Expected Funding and Implementation Activities: April – June 2002
Existing Account	
<ul style="list-style-type: none"> A total of 378 facilities are registered as renewable suppliers; 273 facilities are eligible for funding. Payments totaling \$3.4 million were made this quarter. Funds from Tier 1 paid 0.0 – 1.0 cent/kWh on 502 million kWh for November and December 2001. Funds from Tier 2 paid 0.0 – .20 cents/kWh on 253 million kWh for November and December 2001. No funds were paid from Tier 3 for November and December 2001 generation. All Tier 3 payments for this period were made for adjustments to October 2001 generation. Rollover funds total \$91.3 million for Tiers 1, 2, and 3, excluding the funds authorized for reallocation. 	<ul style="list-style-type: none"> Unless the legislation authorizing the RESIA is made retroactive to January 2002, no further Existing Account payments will be made from the initial program funds. The delay in implementing the RESIA renders it unlikely that the necessary procedures and guidelines will be in place to make any payments during the second quarter of 2002. We currently anticipate that the first payments under the RESIA will be made in July 2002.
New Account	
<ul style="list-style-type: none"> Thirty-five projects are currently on-line and producing energy. Payments totaling \$2.35 million were made this quarter. To date, payments totaling \$13.6 million have been made to 13 on-line facilities for over 1,000 GWh of new renewable energy generation. The Energy Commission extended funding awards for two geothermal projects (98 MW) under authority of AB 995. Provided they begin generating by 12/31/05, these projects will receive five full years of incentive payments. 	<ul style="list-style-type: none"> Construction of new projects will continue, as will payments to on-line facilities. Funding Award Agreements with winning bidders in the second and third auctions will continue to be finalized. Four funding awards totaling \$18 million from the June 1998 auction may be cancelled due to inability to establish contact with the project developers. Guidelines will be modified to establish a formal petition process for projects to extend their funding awards.
Emerging Account	
<ul style="list-style-type: none"> Funds encumbered for Buydown Program reservation requests currently total \$38.9 million. To date, payments for installed systems total \$32.6 million. Five hundred eighty new reservation requests were received this quarter. Since funds totaling \$8 million were approved for rebates to publicly-owned utility customers, 9 applications have been submitted. 	<ul style="list-style-type: none"> Reservation activity slowed compared to 4th quarter 2001, but is expected to pick up in the next quarter. The staff will work with a contractor to identify and conduct additional verification activities on completed systems.
Customer Side Account	
Customer Credit Subaccount	
<ul style="list-style-type: none"> Only five marketers remain active in the market, offering a total of 48 products containing renewable energy. There are a total of four registered wholesalers. To date, over \$58.8 million has been paid to providers. About \$1.3 million was paid to providers this quarter. Due to the lag-time between when registered renewable providers serve their customers and when they report to the Energy Commission, payments made this quarter reflect sales by providers for electricity consumed in year 2001. 	<ul style="list-style-type: none"> Market activity will probably remain fairly steady as most providers have already exited the market, and no new customers are allowed to participate in the direct access market. Payments will not be made for market activity in 2002 until the RESIA legislation is passed. Consequently, payments in the second quarter of 2002 are expected to be very low.
Consumer Education Subaccount	
<ul style="list-style-type: none"> Most projects from the first grant solicitation have been completed. Payments totaling \$25,168 were made for these projects this quarter. Payments totaling \$78,135 were made to grant recipients of the second grant solicitation for activities this quarter. The first Steering Committee meeting was held for the Hearst Castle Visitor Center Renewable Energy Project. ICF Consulting continues to implement public awareness campaign. Payments to ICF for this quarter total \$220,655. The staff participated in Home and Garden Shows in Santa Clara and San Diego. The <i>Small Wind Electric Systems: A Consumer Guide</i> has been finalized. Graphic enhancements were made to the Clean Power Estimator™. 	<ul style="list-style-type: none"> Work will continue on the five grant projects from the second grant solicitation. ICF Consulting will continue public relations and public awareness campaign activities, introducing a new graphic look for outreach materials. The staff will participate in Earth Day fairs and events in San Diego, Los Angeles, Berkeley and Santa Barbara. Media coverage will support the inauguration of Bren Hall on the campus of the University of California at Santa Barbara on April 19, 2002. A \$500,000 Program Opportunity Notice for grant projects is planned for release next quarter.

Table II - Renewable Resource Trust Fund
Cumulative Funding and Expenditures as of the Quarter Ending March 31, 2002
(\$ Millions)

	Existing Account	New Account	Emerging Account	Customer-Side Account		Program Total
				Customer Credit	Consumer Education	
Collected Funds	241.045	160.713	68.751⁹	74.352	5.398	547.272¹⁰
Total Disbursements	(151.732)	(13.612)	(32.570)	(58.797)	(2.223)	(258.933)
First Quarter '02 Disbursements	(3.391)	(2.354)	(8.250)	(1.320)	(0.445)	(15.760)
Intrafund Transfers	0.000	0.000	0.000	0.000	0.000	0.000
Intrafund Reallocations	(55.000)^{11,12}	33.800¹³	31.200¹⁴	(10.000)¹⁵	0.000	0.000
Current Balance	33.713	179.401	66.856	5.255	3.100	288.339
Encumbrances	0.000	(179.401)¹⁶	(38.899)¹⁷	0.000	(3.100)	(222.975)
Unencumbered Funds	33.713	0.00	27.957	5.255	0.00	66.939

The participating utilities continue making deposits into the Renewable Resource Trust Fund, which would have totaled \$540 million for the initial program by its end date of March 31, 2002.¹⁸ As of December 2001, \$465 million had been collected from the utilities for the initial program funds. During the current quarter, however, only \$67.3 million has been collected of the remaining \$75 million; the California Public Utilities Commission (CPUC) has not yet decided how this \$7.7 million shortfall will be apportioned among the participating utilities.

The Renewable Energy Program design has a built-in, two-month processing period for payments to eligible energy in several accounts. Payments have been suspended from the Existing Account and the Customer Credit Subaccount for activity occurring in year 2002 pending passage of legislation implementing the RESIA, at which time retroactive payments are expected to be made.

⁹ Includes \$15 million transferred from the General Fund to the Emerging Account pursuant to AB 29X.

¹⁰ Includes \$13,447 in voluntary contributions.

¹¹ To date, the Energy Commission has reallocated up to \$40 million from the Existing Account to the New Account for the second auction, and authorized the reallocation of up to \$40 million for the third auction.

¹² AB 29X ordered the reallocation of \$15 million from the Renewable Resource Trust Fund (Existing Account) to the Emerging Account.

¹³ The Energy Commission has reallocated \$6.2 million from the New Account to the Emerging Account, reducing a previous \$40 reallocation balance to \$33.8 million.

¹⁴ See Footnotes 12, 14, and 15.

¹⁵ The Energy Commission has reallocated \$10 million from the Customer Credit Subaccount to the Emerging Account.

¹⁶ The Energy Commission conditionally allocated \$162 million at its June 1998 auction, \$40 million at its December 2000 auction, and \$40 million at its August 2001 auction. As funds become available, they are encumbered for projects.

¹⁷ Reservation requests granted (but not yet paid) since the March 20, 1998 start-up of the Buydown Program.

¹⁸ See Footnotes 9 and 10.

As Table II reflects, in the first quarter of 2002 the State Controller made payments from the Emerging Account to recipients of the Emerging Renewables Buydown Program rebates, the New Account to 13 of the 35 projects that are now on-line and generating renewable energy, and from the Consumer Education Subaccount to grant-award recipients and contractors for renewable energy education activities. Payments were made from the Existing Account for electricity produced and from the Customer Credit Subaccount to providers of renewable energy sold through December 2001. The Energy Commission encumbered funds from the Emerging Account for systems eligible for the Buydown Program rebates, the Consumer Education Subaccount for grant and contract project activities, and from the New Account for 78 projects with funding award agreements from the first, second, and third auctions. Funding for these projects will eventually total up to \$231.4 million; funds from the New Account will continue to be reserved as funding becomes available.

Existing Account

Short-run avoided costs (SRAC) have leveled off during the fourth quarter of 2001 to just above 3.0 cents per kilowatt-hour (kWh). Since the legislation (RESIA) authorizing expenditure of funds from the extension of the Renewable Energy Program has not yet been approved, the Energy Commission suspended payments to all Existing Account facilities as of December 31, 2001. Because the SRAC was above 3.0 cents per kWh, the only payments made to Tier 3 facilities were for adjustments to October 2001 generation.

Disbursements from the Existing Account to date total \$151.7 million. Payments from the Existing Account for the first quarter of 2002 decreased significantly from the last quarter of 2001 and totaled \$3.4 million. Given the current delays in approving the RESIA, it is highly unlikely that any payments will be made from the Existing Account during the second quarter of 2002. We currently anticipate making the first payments from the Existing Account under the RESIA by July 2002.

The rollover amount increased by \$4.0 million this quarter and currently stands at approximately \$91.3 million.¹⁹ The rollover is the amount of money that is available in the Existing Account but has not yet been paid out to facilities. Any funds that are not paid in one month are added to the following month's allocation and made available for that month's payment cycle.

The rollover funds will be used in a separate area of the Renewable Energy Program. To date, the Energy Commission has authorized the reallocation of up to \$80 million in Existing Account rollover funds to the New Account to fund the projects of the winning bidders of the New Account's second and third auctions. In the first quarter of 2000, up to \$40 million was reallocated to the New Account for a second auction, and an additional \$40 million in the second quarter of 2001, for a third auction. The actual transfer of funds will not occur until the winning projects are on-line and eligible to begin receiving payments.

¹⁹ These figures do not account for the funds (up to \$95 million) that the Energy Commission has authorized for reallocation to the New Account for purposes of funding two additional auctions and to the Emerging Account. However, at least \$3.445 million proposed for reallocation to cover the New Account's second auction will not be necessary, and that amount will therefore remain in the Existing Account.

To satisfy the requirements set forth in Senate Bill 29X, an additional \$15 million in Existing Account rollover funds was authorized for reallocation to the Emerging Account to provide increased funding to the Emerging Renewables Buydown (rebate) Program. The Energy Commission authorized the reallocation of \$6.2 million that had been reallocated to the New Account to fund the second auction; it was not needed for that purpose and thus was redirected to the Emerging Account. The Energy Commission will determine at a later date the actual amount of funding needed to fully fund winning projects from the second and third New Account auctions. This figure may not be known for some time because auction winners could possibly drop out, qualify for additional incentives, or have their funding awards under the auction either reduced or canceled.

New Account

Of the 78 projects that won funding awards in the three New Account auctions, 35 are on-line and producing energy. These projects currently contribute 201 megawatts (MW) of new renewable generating capacity to California's energy supply.

To date, nine landfill gas facilities totaling 27.5 MW of capacity, two geothermal projects totaling 59 MW, one 16.5 MW wind project, one 7.5 MW biomass project, and one 9.9 MW small hydro project have received \$13.6 million in payments from the New Account. These projects represent more than 1,000 gigawatt-hours of new renewable generation. The remaining 21 facilities, totaling 80.65 MW of capacity, are technically on-line but have not yet received payments for reasons such as failure to submit invoices for payment, adequate proof of generation, or adequate proof of being on-line.

At the time of the first auction in June 1998, Public Utilities Code section 383.5(c)(2)(B) required projects participating in the New Account to be on-line by December 31, 2001 to receive five full years of incentive payments. Projects coming on-line later than that date could still receive payments, but for a shorter period of time – in effect penalizing those projects. Projects could also face added penalties or payment reductions, depending on the circumstances causing a delay in coming on-line.

In September 2000, Governor Davis signed AB 995 into law which amended section 383.5(c)(2)(B) and allowed projects participating in the New Account to come on-line as late as January 1, 2007 and still receive five years of incentive payments. This allowance is contingent on the Energy Commission making a formal finding that the delayed on-line date resulted from “circumstances beyond the developer’s control.”

Fifteen projects with funding awards from the first auction and 11 projects from the second auction experienced delays and were unable to begin generating electricity by the December 31, 2001 deadline. The first projects to formally request extension of their funding awards based on the amendment in the law were two geothermal projects owned by Calpine Siskiyou Geothermal Partners L.P. (48 MW) and California Energy General Corporation (49.9 MW), whose joint petition for extension was submitted to the Energy Commission in November 2001. The Electricity and Natural Gas Committee held a public hearing on December 5, 2001 regarding the petition. Based on the information presented at that hearing, the Committee recommended that the Energy Commission extend the funding awards for the two projects. At its regular Business Meeting on January 9, 2002, the Energy Commission approved the Committee's recommendation, and extended the funding awards for the two geothermal projects so that the projects will

still receive five full years of incentive payments, provided they are on-line by December 31, 2005. The Energy Commission is currently revising the program guidelines to establish a formal process for other projects from the first and second auctions wishing to extend their funding awards.

Three wind projects from the first auction owned by Enron Wind Development Corporation and one wind project owned by Painted Hills Wind Developers (an Enron affiliate) are facing cancellation of their funding awards because the project developers:

- (1) did not submit information required by the program guidelines regarding progress toward bringing the projects on-line, and
- (2) did not maintain appropriate contact with Energy Commission staff regarding the projects.

The funding awards for these four wind projects (113 MW) total \$17.8 million. Letters were sent to the project developers in March 2002 informing them of the Energy Commission's intention to cancel their funding awards. Under the program guidelines, the project developers may petition the Energy Commission for reconsideration. Any funds freed by award cancellations are returned to the Renewable Resource Trust Fund for reallocation.

Emerging Account

The Emerging Renewables Buydown Program has received 5,288 reservation requests²⁰ since it began in March 1998, including 580 new requests during the first quarter of 2002. In comparison, 711 reservation requests were received during the first quarter of 2001. Payments totaling \$8.25 million were made to eligible participants with eligible systems participating in the Buydown Program during the first quarter of 2002. As of the end of this quarter, disbursements from the Emerging Account total \$32.6 million.

Account activity has slowed compared with last year at this time. This is predictable, considering the state's relatively stable energy picture. Nevertheless, the pace of reservation requests received by the Buydown Program is still about six times the pace before last year's energy crisis. The appeal of the Buydown rebates continues to be primarily a result of California's residents and businesses interest in securing a reliable and cost-predictable electricity source.

Another stimulus for consumers considering a solar or wind system is a new state tax credit. Signed by Governor Davis in September 2001, Senate Bill 17X2²¹ was designed to encourage the installation of solar and wind systems (up to 200 kilowatts [kW]) by providing a 15 percent tax credit for tax years 2001 and 2002 and a 7.5 percent credit for tax years 2003 and 2004. The Energy Commission has been working with the Franchise Tax Board in implementing the tax credit.

Funding for rebates for medium and large systems was fully encumbered during the fourth quarter of 2001. Since last fall, there has been a "funding gap" for emerging systems sized between 10 to 30 kW. The Buydown Program has funding for projects up to and including 10 kW, while the California Public Utilities Commission's Self Generation Program, administered by the investor-owned utilities, offers

²⁰ Included in the tally of reservation requests are 476 reservations that have been cancelled or disapproved.

²¹ Revenue and Taxation code Sections 17053.84 and 23684.

funding for eligible projects 30 kW or larger. Unless funding is replenished to this size category, it is likely the funding gap will remain until the RESIA legislation is approved and implemented.

Currently, \$38.9 million is encumbered for projects with reservation requests. The total amount of encumbered funds does not include about 459 reservation requests in "received" status, which are still in various stages of the review process and have not yet received funding approval.

In November 2001, Underwriters Laboratories (UL) announced that it was withdrawing its UL certification for several inverters for grid-interactive use, manufactured by Trace/Xantrex. Inverters are electrical devices used by solar photovoltaic and small wind systems to transform DC current into the AC current used by most homes and businesses. The Buydown Program requires that if inverters are used, they must be UL listed; the Energy Commission sent notices to program participants about the UL de-certification. Program participants were advised that rebate reservation requests that had not received a final building permit on or before December 11, 2001 would be held until the inverters were UL-approved. The inverters were subsequently re-certified in January, and the staff has been working with the affected retailers, customers, and manufacturer to complete those projects.

Other Emerging Account activities during the first quarter of 2002 include the following ongoing projects, carried out by technical support contractors:

- Troubleshooting under-performing systems
- Training sessions for installers and building officials
- Verification activities
- Updating lists of eligible photovoltaic (PV) modules and inverters

Customer Credit Subaccount

At the close of the third quarter in 2001, the California Public Utilities Commission (CPUC) implemented Senate Bill 1X, which directed the CPUC to suspend retail customers' right to purchase energy through the direct access market. This suspension, which became effective on September 20, 2001, prohibits new customers from entering into direct access contracts; customers that were already making direct access purchases, however, may continue to do so. The CPUC was considering making the suspension retroactive to July 2001, but voted not to do so on March 21, 2002.

The Customer Credit Subaccount requires that purchases of renewable electricity must be made through a direct access contract. Because direct access remains suspended for new program participants, it continues to impact the implementation of the Customer Credit Subaccount in the first quarter of 2002.

A reflection of market activity is depicted through the number of providers registered and actively serving customers. This number decreased each quarter in 2001, but has remained steady at five providers from the fourth quarter of 2001 to the first quarter of 2002. The load served by these providers has remained relatively constant, though is much lower than one year ago.

Since providers are not required to change their registration status with the Energy Commission when they exit the market, the total number of registered renewable providers continues to hold steady from last quarter at 29, but only five are active in the market, with a total of 48 registered products. The number of registered wholesalers remains at four.

The customer credit level remained at 1.0 cent per kWh for the six-month period from July through December 2001. We do not expect to re-set the credit level until the Energy Commission is authorized to implement the RESIA legislation.

To date, the State Controller has paid \$58.8 million to registered renewable providers for customer credits. Payments in the first quarter of 2002 were \$1.3 million, remaining constant from the previous quarter. As always, payments reflect load served in the previous quarter. Currently, the Customer Credit Subaccount is not making payments on sales activity occurring in year 2002 pending passage of legislation to implement the RESIA. We anticipate payments to be made retroactively for eligible renewable electricity sales in 2002 after implementing legislation is approved. Given the current suspension of payments from the Customer Credit Subaccount, expenditures are expected to decline next quarter.

Consumer Education Subaccount

During the first quarter of 2002, the grant projects from the first grant solicitation, held in 2000 for consumer education and outreach activities, were nearly completed. Payments totaling more than \$25,000 were made for these grant activities for which invoices were received during the first quarter of 2002.

Highlights of project activities from the first grant solicitation that were completed during this quarter include the following:

- The Arcata Co-op completed installation of a 2 kW system on their store roof. A dedication ceremony will be held on Earth Day in April 2002. An informational sign is displayed at the site, and brochures explaining how consumers can install their own systems are available. The Ocean Beach Co-op is experiencing delays in the construction of the store; therefore, the PV system installation and dedication may not occur until after the grant project term ends in April 2002.
- The *Small Wind Electric Systems: A California Consumer's Guide* has been completed and is available for distribution. We have provided 5,000 copies to the American Wind Energy Association for distribution to targeted consumers.

The five projects selected under the second grant solicitation, conducted in 2001, are underway. Payments totaling over \$78,000 were made for these grant project activities for which invoices were received during this quarter. Highlights of recent activities under these grant projects include the following:

- "This Renewable House" was made available to public television stations in California for airing in April, in time for Earth Day. Actual air dates will be reported next quarter. After the program airs on PBS, the home video version will be distributed to video rental stores, where it will be available for free rental. This quarter, about 230 public service announcement (PSA) airings were aired on radio stations.

Articles were written and presented to several magazines including Natural Home, Home Power, Solar Today, Better Homes and Gardens, and various building industry publications.

- There are currently 130 contractors listed in the online database at the website [www.calenergy.org] which averaged 14,000 hits per month for this quarter.
- The first draft of the Teacher's Guide text is nearly complete.
- Lincoln Middle School in Alameda recently installed its PV system and will be holding a dedication ceremony in May. The "Buy-A-Watt" concept is being developed as a fundraising approach to help schools pay for their PV systems and installation costs. Teacher-training sessions are being scheduled and conducted at selected schools. "Solar Power Monitor" lab kits have been developed for workshop demonstrations.
- The "Stimulating the Implementation of Renewable Energy Technologies" (SPIRE) project published its first edition of the *Renewable Energy Technical Assistance Packet*. Designed to help California local governments, schools, and special districts implement renewable energy, the packet summarizes rebate incentives, financing opportunities, procurement options, and technical assistance that are available to California's public sector. The SPIRE project also conducted two PV forums in Sacramento for local elected leaders and staff.
- The grant agreement for the small wind turbine marketing campaign has been signed. A direct mail piece is being developed, which will include information on the Renewable Energy Buydown Program and the *Small Wind Consumer Guide*. The direct mail package will be mailed to the targeted counties of Sonoma, Solano, Alameda, Santa Cruz, Kern, San Bernardino, and parts of Los Angeles.

ICF Consulting, the contractor developing and implementing the Renewable Energy Public Awareness Campaign, and its team of subcontractors, conducted an in-depth telephone survey targeting 20 homeowners and 10 commercial building owners or managers that have participated in the Emerging Renewables Buydown Program. This research was conducted to isolate the "tipping points" that influence their adoption of renewable energy. The availability of an attractive rebate along with concerns for the environment were the main motivators for most of the survey participants. These results will be used to further refine messages on renewable energy outreach materials.

ICF Consulting and the Energy Commission participated in Home and Garden Shows in both Santa Clara and San Diego during this reporting period. These events allowed homeowners interested in renewable energy technologies to meet with Energy Commission staff, ask questions, collect literature, and learn more about the Buydown Program. At the Santa Clara Home Show, The Rarus Institute presented a seminar titled "Steps to Installing Renewable Technology in Your Home." The seminar provided homeowners with guidance on the types of technologies that can be incorporated into a home, as well as advice on working with contractors.

The staff is in the planning phase for many of the events and activities in conjunction with Earth Day 2002. The Energy Commission and ICF Consulting will be staffing booths in Santa Barbara and San Diego (April 21), Los Angeles (April 20-21), and Berkeley (April 20). Materials that will be distributed at these events include fact sheets, brochures, and other informational materials about the benefits of renewable energy and incentives offered by the state. Materials will also be provided for distribution at additional Earth Day venues throughout the state.

In support of the Renewable Energy Consumer Education Campaign, ICF Consulting is in the planning phase of generating statewide media coverage for the inauguration of Bren Hall on the campus of the University of California at Santa Barbara on April 19, 2002. Bren Hall will house the Bren School of Environmental Sciences and Management and has been recognized by the US Green Building Council as one of the best examples of sustainable design. A roof-integrated 47 kW photovoltaic system is being installed which will generate 7-10 percent of the building's load. In addition to generating media coverage surrounding this event, ICF Consulting is developing a media list, press kit, and video news release.

The Energy Commission, with the support of ICF Consulting, is working with representatives of the Hearst Castle® Visitor Center to develop a showcase project highlighting energy efficiency and renewable energy technologies. The goal of the project is to create a public showcase for the installation and use of renewable energy systems at the Visitor Center, and to raise awareness and knowledge about renewable energy. The first Steering Committee Meeting was held in March.

A new graphic look for the Renewable Energy Program is being designed by ICF Consulting, who is working with Energy Commission staff to develop additional collateral materials. The design concepts were submitted to the Energy Commission staff for review this quarter. Decisions about the concepts are being finalized, and draft copy has been completed for fact sheets on renewable energy, solar and wind energy technologies. ICF Consulting is also working with staff on website enhancements [www.consumerenergycenter.org]. Payments to ICF Consulting for which invoices were received this quarter total approximately \$342,000.

During this quarter, the Clean Power Estimator™, an interactive tool housed on the Energy Commission's website, was renewed. The Estimator was also revised to include graphical interface showing PV panels on a house or building, and charts illustrating economic and technical results in addition to the text-based results.

The staff developed a flyer this quarter announcing the availability of \$8 million in Buydown rebate funds for customers of California's local, publicly-owned utilities. The flyer was sent to eligible utilities, and the Energy Commission staff will distribute it to interested visitors at Earth Day events and other appropriate venues until those rebate funds are depleted.

Summary

In summary, the Energy Commission has made excellent progress in implementing the Renewable Energy Program over the last four years. We anticipate that the Legislature will soon approve the RESIA, and we will proceed with our transition plan for implementing the Renewable Energy Program over the next five years.